

**Town of Muldrow, Oklahoma**

**Annual Financial Statements and Accompanying  
Independent Auditor's Reports**

**June 30, 2022**

**Samuel S Alexander  
Certified Public Accountant**

**Town of Muldrow, Oklahoma**  
June 30, 2022

**BOARD OF TRUSTEES**

**Mayor**

Catherine Jones

**Vice Mayor**

Darren Keith

**Board Members**

Patti Rhodes

Anthony Cox

Stephen Michael

**Town of Muldrow, Oklahoma**  
**June 30, 2022**

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**Town of Muldrow, Oklahoma**

June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Trustees  
Town of Muldrow, Oklahoma

### **Report on the Audit of the Financial Statements**

#### **Qualified and Unmodified Opinions**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Muldrow, Oklahoma (the Town) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### **Qualified Opinion on the General Fund**

In my opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of my report, the financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the Town of Muldrow, Oklahoma as of June 30, 2022, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund and the Aggregate Remaining Fund Information**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Muldrow, Oklahoma, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Qualified and Unmodified Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Town of Muldrow, Oklahoma, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified and unmodified audit opinions.

### **Matters Giving Rise to the Qualified Opinion on the General Fund**

The financial statements referred to above do not include the fixed assets for the governmental funds. Accounting principles generally accepted in the United States of America require the capitalization and recording of fixed assets, which would increase the assets and fund balances and change the revenues in the governmental funds. The amount by which this departure would affect the asset, deferred inflows of resources, fund balances, and revenues of the General Fund has not been determined.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise a substantial doubt about the Town of Muldrow, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise a substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Muldrow, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Muldrow, Oklahoma's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that were identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Boards, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management has elected to omit management's discussion and analysis. My opinion on the basic financial statements is not affected by this omission.

#### **Supplementary Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Muldrow, Oklahoma's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In my opinion, the combining and individual nonmajor fund financial statements, are fairly stated, in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated October 5, 2022 on my consideration of the Town of Muldrow, Oklahoma's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Muldrow, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Muldrow, Oklahoma's internal control over financial reporting and compliance.

October 5, 2022  
Wagoner, Oklahoma





## GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF MULDROW , OKLAHOMA  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business -Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,645,029	1,407,124	4,052,153
Investments	\$ 84,327	177,512	261,839
Accounts receivable	-	142,759	142,759
Taxes receivable	98,855	23,983	122,838
OMAG retention and escrow	16,707	16,929	33,636
Capital assets			-
Land (Note 2)	-	754,738	754,738
Property, plant & equipment, net of depreciation (Note 2)	-	3,483,474	3,483,474
Total assets	2,844,918	6,006,519	8,851,437
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred resources related to pensions	130,904	120,399	251,303
Total	2,975,822	6,126,918	9,102,740
<b>LIABILITIES</b>			
Accounts payable	102,008	41,401	143,409
Net pension liability	53,017	25,372	78,389
Long-term liabilities:			
Due within 1 year (Note 4)	64,326	95,753	160,079
Due in more than 1 year (Note 4)	153,491	2,297,372	2,450,863
Total liabilities	372,842	2,459,898	2,832,740
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred resources related to pensions	171,626	210,227	381,853
Total	544,468	2,670,125	3,214,593
<b>NET POSITION</b>			
Net investment in capital assets		1,845,087	1,845,087
Contributed capital		334,163	334,163
Restricted	-	95,753	95,753
Unrestricted	2,431,354	1,515,953	3,947,307
Total Net Position	\$ 2,431,354	3,790,956	6,222,310

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		TOTALS
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business - Type Activities	
Primary Government						
General Government	(426,475)	24,136	-	(402,339)	-	(402,339)
Public Safety	(1,099,419)	586,800	112,841	(399,778)	-	(399,778)
Streets	(78,548)			(78,548)		(78,548)
Library	-			-		-
Parks & Recreation	(44,125)	1,950	-	(42,175)		(42,175)
Total governmental activities	<u>(1,648,567)</u>	<u>612,886</u>	<u>112,841</u>	<u>(922,840)</u>	<u>-</u>	<u>(922,840)</u>
Business - Type Activities:						
Water, Sewer & Trash	(1,324,009)	1,608,492	-		284,483	284,483
Sanitation	(345,094)	472,753			127,659	127,659
Depreciation - unallocated	(243,151)	-	-		(243,151)	(243,151)
Total business - type activities	<u>(1,912,254)</u>	<u>2,081,245</u>	<u>-</u>	<u></u>	<u>168,991</u>	<u>168,991</u>
Totals	<u>\$ (3,560,821)</u>	<u>2,694,131</u>	<u>112,841</u>	<u>(922,840)</u>	<u>168,991</u>	<u>(753,849)</u>
General revenues						
Taxes:						
Sales tax				665,212		665,212
Use tax				235,243		235,243
Gas tax				5,861		5,861
Franchise tax				167,112		167,112
Alcoholic beverage tax				44,889		44,889
Commercial vehicle tax				24,985		24,985
Cigarette tax				7,371		7,371
Miscellaneous				91,075		91,075
Naracan funds				6,000		6,000
American Rescue Plan Act				155,682	128,220	283,902
Interest earnings				1,732	1,492	3,224
Interest expense				(6,793)	(67,296)	(74,089)
Loan administration fees				-	(1,300)	(1,300)
Transfers internal activities				211,798	(211,778)	20
Other deposits				25,146		25,146
Total general revenues				<u>1,635,313</u>	<u>(150,662)</u>	<u>1,484,651</u>
Changes in net position				712,473	18,329	730,802
Net position, beginning of period				<u>1,718,881</u>	<u>3,772,627</u>	<u>5,491,508</u>
Net position, end of period				<u>\$ 2,431,354</u>	<u>\$ 3,790,956</u>	<u>\$ 6,222,310</u>

The notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

TOWN OF MULDROW, OKLAHOMA  
BALANCE SHEET GOVERNMENTAL FUNDS  
JUNE 30, 2022

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Total
<b>ASSETS</b>			
Cash	\$ 1,935,047	709,982	2,645,029
Investments		84,327	84,327
OMAG retention and escrow	16,707		16,707
Taxes receivable	62,876	35,979	98,855
Total assets	2,014,630	830,288	2,844,918
<b>LIABILITIES</b>			
Accounts payable	74,352	27,656	102,008
Net pension liability	32,905	20,112	53,017
Current portion of long-term debt		64,326	64,326
Total liabilities	107,257	112,094	219,351
<b>FUND BALANCES</b>			
Unassigned	1,907,373	718,194	2,625,567
Total fund balance	1,907,373	718,194	2,625,567
Non-current reconciling items tpo Net Position of Governmental activities:			
Deferred ouflow of resources			130,904
Deferred inflows of resources			(171,626)
Long-term debt			(153,491)
Net Position of Governmental Activities			2,431,354

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	June 30, 2022
Revenues:			
Licenses and permits	\$ 19,415	1,790	21,205
Taxes	756,248	399,146	1,155,394
Grant proceeds and contributions	14,500	98,256	112,756
Narcan Funds		6,000	6,000
Fines and Forfeitures	568,480	-	568,480
Fire contracts and runs	-	16,530	16,530
Donations	-	85	85
Miscellaneous	46,566	28,670	75,236
Reimbursements	20,383	4,763	25,146
American Rescue Plan Act	155,682		155,682
Rentals	-	1,950	1,950
Police-miscellaneous	15,839		15,839
Interest earnings	1,078	654	1,732
Total revenues	<u>1,598,191</u>	<u>557,844</u>	<u>2,156,035</u>
Expenditures:			
General government	426,475	-	426,475
Police	933,019	-	933,019
Parks & recreation	-	44,125	44,125
Fire	-	166,400	166,400
Interest	-	6,793	6,793
Streets	-	78,548	78,548
Total expenditures	<u>1,359,494</u>	<u>295,866</u>	<u>1,655,360</u>
Excess of revenues over (under) expenses	<u>238,697</u>	<u>261,978</u>	<u>500,675</u>
Other financing sources (uses):			
Operating transfers in	213,178	938,696	1,151,874
Operating transfers (out)	-	(940,076)	(940,076)
Total other financing sources (uses)	<u>213,178</u>	<u>(1,380)</u>	<u>211,798</u>
Excess (deficiency) of revenue over expenditures and other financing sources(uses)	451,875	260,598	712,473
Fund balances, beginning of year	<u>1,411,965</u>	<u>306,916</u>	<u>1,718,881</u>
Fund balances, end of year	<u><u>1,863,840</u></u>	<u><u>567,514</u></u>	<u><u>2,431,354</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,407,124
Investments	177,512
Accounts receivable	142,759
Taxes receivable	23,983
OMAG retention and escrow	16,929

Capital assets

Land	754,738
Plant, property, and equipment (net)	3,483,474
Total assets	<u>6,006,519</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred resources related to pensions	120,399
Total	<u>6,126,918</u>

LIABILITIES

Current liabilities:

Accounts payable	41,401
Net pension liability	25,372
Notes payable-current	95,753
Total current liabilities	<u>162,526</u>

Noncurrent liabilities:

Notes payable - non - current	2,297,372
Total Liabilities	<u>2,459,898</u>

DEFERRED INFLOW OF RESOURCES

Deferred resources related to pensions	210,227
Total	<u>2,670,125</u>

NET POSITION

Net investment in capital assets	1,845,087
Contributed capital	334,163
Restricted for debt service	95,753
Unrestricted	<u>1,515,953</u>

Total Net Position	<u>\$ 3,790,956</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET FUND POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues:

Charges for services:

Water and Sewer	\$ 1,608,492
American rescue plan act	128,220
Sanitation	472,753
Total revenues	<u>2,209,465</u>

Operating Expenses:

Salaries	699,146
Maintenance and operation	624,863
Sanitation	345,094
Depreciation expense	243,151
Total expenditures	<u>1,912,254</u>

Operating Income (Loss)	297,211
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Non-Operating Revenues (Expenses):

Investment income	1,492
Interest expense	(67,296)
Loan administration fees	(1,300)
Transfers out	(128,672)
Sanitation transfers to general fund	<u>(83,106)</u>

Total non-operating revenues (expenses)	<u>(278,882)</u>
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Change in net assets	18,329
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Net position - beginning of year	<u>3,772,627</u>
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Total net position - end of year	<u><u>\$ 3,790,956</u></u>
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The notes to the financial statements are an integral part of this statement.



TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows From Operating Activities	
Receipts from customers	\$ 2,155,771
Payments to employees	(699,146)
Payments to suppliers	(1,253,453)
Net Cash Provided By Operating Activities	<u>203,172</u>
Cash Flows From Noncapital Financing Activities:	
Net changes in deferred inflows and outflows	210,274
Transfers to other funds	(186,797)
Total noncapital financing activities	<u>23,477</u>
Cash Flows From Capital And Related Financing Activities	
Purchases of capital assets	(28,494)
Principal and expenses paid on debt	(194,908)
Net Cash provided By (Used In) Capital And Related Financing Activities	<u>(223,402)</u>
Cash Flows From Investing Activities	
Interest on investments	<u>1,492</u>
Net Increase (Decrease) In Cash And Cash Equivalents	4,739
Balance - Beginning of year	<u>1,402,385</u>
Balance - End of year	<u><u>\$ 1,407,124</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	\$ 297,211
Adjustments to reconcile operating income to net cash provided (used) operating activities	
Depreciation	243,151
Decrease in accounts payable	(22,186)
Decrease in net pension liability	(244,381)
Increase in OMAG retention	(16,929)
Increase in accounts receivable	(53,694)
Net cash provided by operating activities	<u><u>\$ 203,172</u></u>
The notes to the financial statements are an integral part of this statement.	

## **NOTES TO FINANCIAL STATEMENTS**

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town's financial reporting entity includes the primary government (Town of Muldrow) and one component unit.

- The Town of Muldrow – that provides the public safety, health and welfare, streets and highways, parks and recreation, and administrative activities.
- The Muldrow Public Works Authority – that operates the water and wastewater services of the Town.

The Town of Muldrow is an incorporated municipality. The Town is a “Statutory Town Government” under Title II of the Oklahoma Statutes.

The component unit (Public Works Authority) has the Town Trustees as their governing body and the Town is able to impose its will on the Authority through required approval of all debt obligations issued by the entity. The Authority meets criteria of a blended component unit and is presented as such.

The Muldrow Public Works Authority is a public trust created under the provisions of Title 60 Oklahoma Statutes, 2001, Section 176 to 180.03, for the use and benefit of the Town of Muldrow. The authority was created to finance, develop, and operate the water, sewer and solid waste activities of the Town. The Authority leases the water and sewer utility system from the Town. The lease rental each year is the revenue remaining after payments have been made to debt service accounts and all operating expenses of the Authority have been paid. The Authority is an enterprise fund.

In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied to the extent they are applicable to the basis of accounting used, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

I. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation – Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except fiduciary funds. The Statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or part by fees charged to external parties for goods or services.

C. Basis of Presentation – Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

I. Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are sales taxes, use tax, tobacco tax, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

E. Budgetary Control

In accordance with 68 O.S. 2001 § 2483, the Board of Trustees and the Muldrow Public Works Authority Board formally adopt annual budgets, which include the General Fund, the Fire Department Fund, Town Sales Tax Fund, Library Fund, Parks and Recreational Fund and the Enterprise Fund. These annual budgets are adopted on a basis consistent with guidelines established by the Oklahoma Municipal Code (Section 17-201, Municipal Budget Act). This basis differs from U.S. generally accepted accounting principles since it does not recognize accrued revenue.

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purpose and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

F. Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

TOWN OF MULBROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Town has presented the following major governmental funds:

General Fund – the General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds – the special revenue funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purpose or designated to finance particular functions or activities of the Town. The reporting entity includes the following special revenue funds, all of which are treated as a non-major fund:

Fire Department Fund - this fund accounts for sales tax and grants restricted for volunteer fire department operations.

Utility Sales Tax Fund – this fund accounts for sales tax and interest used for supplementing Town utility operations.

Street Fund – this fund accounts for sales tax and interest used for street department operations.

Library Fund - this fund accounts for interest earnings and grants used for library operations.

Parks & Recreational Fund – this fund accounts for donations and rental income used for the operation of the Town's parks.

Proprietary Funds

Public Works Authority Fund

Public Works Authority Fund is used to account for the provision of water and sewer services to the residents of the Town. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for long-term water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary, to ensure integrity of the funds.

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Fiduciary Funds – are reported in the fiduciary fund financial statements but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Town programs. Fiduciary fund financial statements report similarly to proprietary funds. See pages 34 through 37.

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three-months or less.

Investments consist of long-term certificates of deposits reported at cost, which approximates market, unless otherwise indicated.

In the Muldrow Public Works Authority, utility revenue and related accounts receivable are reported for utility services provided and billed prior to year-end but not yet collected.

Any amounts due and payable between legal entities, resulting from budgetary basis transactions, are reported as Internal Balances and eliminated in the total column.

Capital Assets

In the government-wide and proprietary fund financial statements, certain acquisitions are accounted for as capital assets. All capital assets are carried at historical cost, net of accumulated depreciation. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives is treated as an expense. Depreciation is computed using the straight line method over the assets useful lives.

Capitalization thresholds and estimated useful lives of capital assets are as follows:

Asset Category	Capitalization Threshold	Years
Business type activities		
Utility Structure	\$10,000	30-40
Water treatment infrastructure	\$10,000	30-40
Furniture, fixtures and equipment	\$10,000	5-10
Vehicles	\$10,000	5-10

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

1. Summary of Significant Accounting Policies (continued)

Net Assets Accounting Policies

Net assets are displayed in two components:

- a. Restricted Net Assets – Consists of net assets with constraints placed on the use either by
  - 1) External groups such as creditors, grantors, contributors, or laws and regulations of other governments, or
  - 2) Law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of “restricted.”

Total Columns on Combined Statements – Overview

Total columns on the Combined Statements – Overview are captioned “Memorandum only” to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Transactions Between Funds

Legally authorized transfers if any, are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees Retirement System of Muldrow, Oklahoma, and additions to/deductions from ERS’s fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

2. Capital Assets

A Summary of changes in general fixed assets for the year ended June 30, 2022, follows:

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22
Business - Type activities:				
Capital assets, not being depreciated:				
Land	\$ 754,738	\$ -	\$ -	\$ 754,738
Total capital asset, not being depreciated	754,738	-	-	754,738
Capital assets being depreciated:				
New Water Treatment Plant	3,670,878	-	-	3,670,878
Water Treatment Plant	2,325,284	-	-	2,325,284
Water System	1,050,008	-	-	1,050,008
Vehicles	162,419	-	-	162,419
Sanitation	375,664	11,250	-	386,914
Office Equipment	27,631	-	-	27,631
Utility Structure	201,101	-	-	201,101
Equipment	305,053	17,244	-	322,297
Total capital assets being depreciated:	8,118,038	28,494	-	8,146,532
Less accumulated depreciation:	4,419,907	243,151	-	4,663,058
Total capital assets being depreciated, Net of depreciation	3,698,131	(214,657)	-	3,483,474
Total all business-type activities capital assets, net	\$4,452,869	\$ (214,657)	\$ -	\$4,238,212

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

3. Sales Tax

The Town is currently receiving sales tax collections monthly from Oklahoma. One third (1/3) of all sales tax proceeds is deposited into the General Fund for the purpose of paying the operation and maintenance costs for the police department incurred by the Town, one third (1/3) is deposited into and then transferred from the Town's Utility Sales Tax Fund to the Muldrow Public Works Authority, one third (1/3), less \$30,000, is deposited into the Town Sales Tax Fund for the operation and maintenance of streets, and \$30,000 is deposited into the Fire Department Fund for the operation of the Volunteer fire department.

4. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
Notes payable:					
General obligation debt	283,024		65,207	217,817	64,326
<b>BUSINESS-TYPE ACTIVITIES</b>					
Notes payable:					
General obligation debt	2,486,133		93,008	2,393,125	95,753
Equipment note	33,304		33,304	-	-
Business-type activities long-term liabilities	2,519,437		126,312	2,393,125	95,753

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

4. Long-Term Liabilities (continued)

Payments on the notes payable that pertain to the Town's governmental activities are repaid directly from the Parks and Recreation Fund. The bank loan was refinanced in April 2021 and bears 2.59% interest with monthly installment payments in the amount of \$5,765 until October 2025.

Payments on the notes payable that pertain to the Town's business-type activities are repaid directly from its Public Works Authority operations. The wastewater system improvement loan bears 2.89% interest with semi-annual installments in the amount of \$80,802 until March 15, 2041. The equipment bank note bears 2.65% interest with monthly installment payments in the amount of \$2,816 until June 22, 2022.

In February 2021, the wastewater system loan was allocated \$76,252 of savings generated by a refunding of bonds to which the Town's loan was pledged. The Town elected to take the reduction of debt service over the remaining life of the loan.

Debt maturity dates over the next five years are as follows. Remaining debt maturity dates are presented in five year increments.

Year Ended	Governmental Activities Note	<u>Business-type Activities</u>	
		Wastewater Loan	Equipment Note
June 30, 2023	64,326	95,753	
June 30, 2024	65,847	98,399	
June 30, 2025	67,605	101,483	
June 30, 2026	20,039	104,479	
March 15, 2031		570,352	
March 15, 2036		659,613	
March 15, 2041		763,046	

5. Deposits and Investment Risk

At June 30, 2022, the reporting entity had the following deposits and investments:

<u>Type of Deposits and investments</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 4,052,153
Total Deposits	<u>4,052,153</u>
Investments:	
Certificates of deposit	<u>261,839</u>
Total Deposits and Investments	<u>\$ 4,313,992</u>

TOWN OF MULBROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

5. Deposits and Investment Risk (continued)

Custodial Credit Risk – Exposure to custodial credit related to deposits exists when the Town holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Town's name collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the Town holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent, but not in the Town's name.

The Town's policy, as it relates to custodial credit risk, is to comply with State law and secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100% of the uninsured deposits and accrued interest thereon. Acceptable collateral is defined in state statutes and includes U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma, surety bond, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(c), all financial institutions pledging collateral to the Town must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2022, the carrying amount of the Town's demand deposits was \$4,052,153. Aggregate demand deposit bank balances were \$4,072,730. Of the bank balances \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining balance was secured by collateral pledged by the Town's financial institution.

At June 30, 2022, investments of certificates of deposit totaled \$261,839, of that amount \$250,000 was covered by the FDIC and the remaining balance was secured by collateral pledged by the Town's financial institution.

Concentration of Investment Credit Risk – The Town has no investment policy that limits its investment choices other than the limitations of State law.

The Town's only marketable investments at June 30, 2022, consisted of \$261,839 in Certificates of Deposit.

Investment Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town's only investments are certificates of deposit.

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

5. Deposits and Investment Risk (continued)

Concentration of Investment Credit Risk- Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the Town (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The Town places no limit on the amount it may invest in any one issuer. At June 30, 2022, the Town had no concentration of credit risk as defined above.

6. Fair Value Measurement

The Town's investments were measured and reported at fair value and are classified according to the following hierarchy:

- Level 1 – Investments reflect prices quoted in active markets.
- Level 2 – Investments reflect prices that are based on a similar observable asset directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based on the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The following table sets forth by level, within the fair value hierarchy, the Town's assets at fair value as of June 30, 2022.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment type				
Investments accounted for				
at fair value	-	-	-	-
Certificates of deposit				
(excluded from fair value measurement)				<u>\$ 261,839</u>
				<u>\$ 261,839</u>

7. Pension Plan

The Town of Muldrow, Oklahoma is a party to a pension or retirement plan.

General Information about the Pension Plan

Plan Description The Town's defined benefit pension plan, Employees Retirement System of Muldrow, Oklahoma (ERS), provides pensions for all regular full time employees of the Town, except police, firefighters and other employees who are covered under an approved system. ERS is a single-employer defined benefit pension plan administered by the Oklahoma Municipal Retirement Fund (OkMRF). OkMRF is authorized by Oklahoma Statutes to pool funds for investment purposes. OkMRF issues a publicly available financial report that can be obtained at [www.okmrf.org](http://www.okmrf.org).

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

7. Pension Plan (continued)

Benefits Provided ERS provides retirement, disability and death benefits. Normal retirement benefits (accrued benefits) are calculated as 2.25% of final average compensation times the employee's years of credited service. Employees with 7 or more years of vesting service are eligible to retire at age 65. Early retirement eligibility begins with termination after age 55, with 80 points and 7 or more years of vesting service, and these benefits equal the accrued benefit payable starting at normal retirement age, or the accrued benefit reduced 5% per year for commencement prior to normal retirement age. Points are equal to age plus completed years of service. All employees are eligible for disability retirement benefits upon total and permanent disability after 7 or more years of service. Disability retirement benefits equal the accrued benefit upon disablement without reduction for years of service. In-service death benefits before vesting are the return of employee contributions with interest. In-service death benefits after vesting for married participants amount to 50% of the accrued benefit payable to the spouse until death or remarriage. Other in-service death benefits after vesting amount to 50% of the accrued benefit payable for 5 years certain. An employee who leaves Town service before vesting receives a return of employee contributions with interest. An employee who leaves Town service after vesting receives the accrued benefit payable starting at normal retirement age, or a reduced benefit payable at early retirement age. The plan has not elected the automatic post-retirement cost of living adjustments.

Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

Nonactive participants receiving benefits	9
Disabled participants not yet receiving benefits	3
Active participants	24
Deferred vested former employees	<u>5</u>
	<u>41</u>

Contributions OkMRF establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town contributes the difference between the actuarially determined rate and the contribution rate of employees. At July 1, 2021, the active employee contribution rate was 4.5% of annual pay, and the Town's average contribution rate was 10.07% of participant payroll.

Net Pension Liability

The Town's net pension liability was measured as of July 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

7. Pension Plan (continued)

Actuarial Assumptions The total pension liability in the July 1, 2021 actuarial valuation was determined using the participant census and plan provisions in effect as of the measurement date. Service cost is the portion of the present value of projected benefit payments attributed to the measurement period, which is the twelve-month period ending on the measurement date. Actuarial assumptions and methods adopted by the Oklahoma Municipal Retirement Fund were used. The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.50%, as prescribed by paragraph 26 of GASB 68 when the plan's fiduciary net position is projected to be sufficient to make projected benefit payments. The actuarial assumptions used in the July 1, 2021 valuation were based on the results of actuarial experience study for the period July 1, 2020 to July 1, 2021.

Salary increases	Annual rates of pay increase as computed
Investment rate of return	7.50%

Mortality rates were based on mortality tables: Before retirement Pub G - 2010  
After retirement Pub G -2010, with projected mortality improvement.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation (2.75%). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2021 are summarized in the following table.

TOWN OF MULBROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

7. Pension Plan (continued)

<u>Return</u>	<u>Target Allocation</u>	<u>Real Return</u>	<u>Weighted</u>
Large cap stocks S&P 500	25%	5.80%	1.45%
Small/mid cap stocks Russell 2500	10%	6.40%	.64%
Long/short equity MSCI ACWI	10%	5.00%	.50%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	30%	2.30%	.69%
Real estate NCREIF	5%	4.60%	.23%
	100%		
		Average Real Return	4.75%
		Inflation	<u>2.75%</u>
		Long term expected return	<u>7.50%</u>

Discount Rate The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.5% as prescribed when the plan's fiduciary net position is projected to be sufficient to make expected benefit payments. The employer has adopted a funding method designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, evaluations required to determine the sufficiency of pension plan assets can be made without a separate projection of cash flows.



TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 7/1/2020	\$ 2,843,529	2,318,128	525,401
Changes for the year:			
Service cost	97,052		97,052
Interest cost	206,049		206,049
Difference between expected and actual experience	40,653		40,653
Contributions -- Employer		114,749	(114,749)
Contributions -- Employee		45,860	(45,860)
Net investment income		634,862	(634,862)
Benefit payments, including refunds of employee contributions	(195,973)	(195,973)	0
Administrative expense		(4,705)	4,705
Net changes	147,781	594,793	(447,012)
Balance at 7/1/2021	\$ 2,991,310	2,912,921	78,389

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

7. Pension Plan (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate The attached table presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 3,378,647	\$ 2,991,310	\$ 2,677,007
Plan Fiduciary Net Position	2,912,921	2,912,921	2,912,921
Net Pension Liability	<u>\$ 465,726</u>	<u>\$ 78,389</u>	<u>\$ (235,914)</u>

Pension Plan Fiduciary Net Position Detailed information about the pension plan's fiduciary net position is available in the separately issued OMRF financial report, which can be located at [www.okmfr.org](http://www.okmfr.org).

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense of \$ 78,567. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Remaining deferred outflows	\$ 174,814	\$ (369,982)
Net difference between projected and actual earnings on pension plan investments	<u>42,653</u>	<u></u>
Total	<u>\$ 215,467</u>	<u>\$ (369,982)</u>

TOWN OF MULDROW, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

7. Pension Plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year ended June 30,

2023	(20,251)
2024	(25,849)
2025	(65,864)
2026	(84,311)
2027	1,107
Thereafter	0

Payable to the Pension Plan The Town had no payable balance to the pension plan for the year ended June 30, 2022.

8. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The Town purchases commercial insurance to cover these risks. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The Town of Muldrow has available loss funds for both current and post plan year participation, held by the Oklahoma Municipal Assurance Group Workers' Compensation Plan, at June 30, 2022.

9. Subsequent Events

Management has evaluated subsequent events through October 5, 2022, the date on which the financial statements were available to be issued.

Covid-19 Pandemic At the time of this report's release, citizens and the economies of the United States and other countries have been impacted by the coronavirus (Covid-19) pandemic. The World Health Organization declared a Public Health Emergency on January 30, 2020. The evolution of the virus, the extent of its economic impact and the results of steps taken and yet to be taken by governments and financial institutions are unknown. The significance and the duration of the pandemic's financial impact are indeterminable. These financial statements do not consider the potential financial implications of the pandemic.



## **REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF MULDROW, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR YEAR ENDED JUNE 30, 2022

	Original Budget	Final Appropriated Budget	Actual Results	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Sales tax	\$ 251,000	\$ 251,000	270,787	19,787
Use tax	229,000	229,000	235,243	6,243
Gas tax	5,500	5,500	5,861	361
Commercial vehicle tax	23,500	23,500	24,985	1,485
Franchise tax	171,000	171,000	167,112	(3,888)
Alcoholic beverage tax	47,000	47,000	44,889	(2,111)
Cigarette tax	8,200	8,200	7,371	(829)
Grant proceeds other	40,000	40,000	14,500	(25,500)
Licenses, permits and burials	17,000	17,000	19,415	2,415
Cares Act			155,682	155,682
Fines and forfeitures	670,000	670,000	568,480	(101,520)
O-EPIC reimbursement	13,000	13,000	20,383	7,383
Miscellaneous	6,000	6,000	46,566	40,566
Police- other	75	75	15,839	15,764
Interest	1,200	1,200	1,078	(122)
Total Revenues	<u>1,482,475</u>	<u>1,482,475</u>	<u>1,598,191</u>	<u>115,716</u>
<b>Expenditures</b>				
General government	286,000	286,000	422,781	(136,781)
Police	997,000	997,000	933,019	63,981
Capital outlay	252,500	252,500	3,694	248,806
Total Expenditures	<u>1,535,500</u>	<u>1,535,500</u>	<u>1,359,494</u>	<u>176,006</u>
Excess of revenues over/(under) expenses before adjustments to prior year encumbrances	<u>\$ (53,025)</u>	<u>(53,025)</u>	238,697	<u>291,722</u>
Other financing sources (uses):				
Operating transfers in/out			<u>213,178</u>	
Total other financing sources (uses)			<u>213,178</u>	
Excess of revenues over/(under) expenses			<u>\$ 451,875</u>	

## **OTHER SUPPLEMENTARY INFORMATION**

**Town of Muldrow, Oklahoma**  
June 30, 2022

**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS**

	Fiscal Year ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015		
<b>Total Pension Liability</b>										
Service cost	\$ 47,052	\$ 43,593	\$ 40,164	\$ 37,343	\$ 43,467	\$ 73,418	\$ 72,091	\$ 69,448		
Interest cost	206,049	197,917	176,472	166,472	157,978	144,557	134,779	132,977		
Benefit changes due to plan amendments	0	0	0	0	0	0	0	0		
Difference between expected and actual experience	40,653	15,498	0	16,392	60,046	66,191	20,501	0		
Changes of assumptions	0	0	79,185	11,562	38,800	0	0	0		
Benefit payments, including refunds of employee contributions	(195,973)	(201,120)	(156,578)	(168,813)	(117,058)	(105,145)	(97,404)	(121,618)		
Net change in total pension liability	147,781	105,888	103,394	103,394	233,313	179,021	129,967	70,808		
Plan pension liability – beginning	2,843,529	2,737,641	2,432,567	2,329,173	2,095,860	1,916,839	1,786,872	1,715,655		
Plan pension liability – ending	\$ 2,991,310	\$ 2,843,529	\$ 2,535,961	\$ 2,432,567	\$ 2,329,173	\$ 2,095,860	\$ 1,916,839	\$ 1,786,872		
<b>Plan Fiduciary Net Position</b>										
Contributions – Employer	\$ 114,749	\$ 109,929	\$ 107,925	\$ 99,383	\$ 104,476	\$ 94,888	\$ 81,866	\$ 73,202		
Contributions – Employee	45,860	43,973	43,133	39,719	41,790	37,940	32,706	29,404		
Net investment income	634,862	90,650	142,318	148,814	222,462	16,465	47,649	238,193		
Benefit payments, including refunds of employee contributions	(195,973)	(201,120)	(156,578)	(168,813)	(117,058)	(105,145)	(97,404)	(121,618)		
Administrative expense	(4,705)	(4,688)	(4,417)	(4,165)	(3,876)	(3,442)	(3,493)	(3,528)		
Other	0	0	0	0	0	0	0	0		
Net change in total pension liability	594,795	38,744	137,381	114,938	247,794	40,706	61,264	215,654		
Plan fiduciary net position – beginning	2,318,128	2,279,384	2,142,003	2,027,065	1,779,271	1,738,565	1,677,281	1,461,858		
Plan fiduciary net position – ending	\$ 2,912,923	\$ 2,318,128	\$ 2,279,384	\$ 2,142,003	\$ 2,027,065	\$ 1,779,271	\$ 1,738,565	\$ 1,677,281		
Net pension liability – ending	\$ 78,389	\$ 525,401	\$ 458,257	\$ 290,564	\$ 302,108	\$ 316,589	\$ 178,274	\$ 109,591		
Plan fiduciary net position as percentage of total pension liability	97.38%	81.52%	83.26%	88.08%	87.03%	84.89%	90.70%	93.87%		
Covered employee payroll	\$ 999,795	\$ 970,850	\$ 1,183,409	\$ 881,852	\$ 832,786	\$ 894,152	\$ 692,010	\$ 679,449		
Town's net pension liability position as percentage of covered employee payroll	7.84%	54.12%	38.72%	32.95%	36.28%	35.41%	25.76%	16.13%		



Town of Muldrow, Oklahoma

SCHEDULE OF TOWN CONTRIBUTIONS

Fiscal Year ended June 30	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 114,749	\$ 109,929	\$ 107,925	93,383	104,476	94,888	81,866	73,202
Contribution in relation to the actuarially determined amount	114,749	109,929	107,925	93,383	104,476	94,888	81,866	73,202
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Covered employee payroll	\$ 999,795	\$ 970,850	\$ 916,795	881,852	832,786	894,152	692,010	679,449
Contributions as a percentage of covered employee payroll	11.48%	11.32%	11.77%	10.58%	12.55%	10.61%	11.83%	10.77%

TOWN OF MULBROW, OKLAHOMA  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 2022

	Fire Department	Utility Sales Tax	Street Fund	Library	Parks & Recreation	Total
<b>ASSETS</b>						
Cash	\$ 144,097	655	510,105	526	54,599	709,982
Investments		84,327				84,327
Taxes receivable	4,000	-	19,983		11,996	35,979
Total assets	148,097	84,982	530,088	526	66,595	830,288
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
Deferred resources related to pensions			7,749			7,749
Total	\$ 148,097	84,982	537,837	526	66,595	838,037
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 4,303	-	23,353	-	-	27,656
Net pension liability			20,112			20,112
Current portion long-term debt					64,326	64,326
Total current liabilities	4,303	-	43,465	-	64,326	112,094
Long-term debt less current maturities	-	-	-	-	153,491	153,491
Total liabilities	4,303	-	43,465	-	217,817	265,585
<b>DEFERRED INFLOW OF RESOURCES</b>						
Deferred resources related to pensions			4,938			4,938
Total	4,303	-	48,403	-	217,817	270,523
<b>FUND BALANCES</b>						
Fund balances-unrestricted	143,794	84,982	489,434	526	(151,222)	567,514
Total fund balance	143,794	84,982	489,434	526	(151,222)	567,514
Total liabilities and fund equity	\$ 148,097	84,982	537,837	526	66,595	838,037

The notes to the financial statements are an integral part of this statement.

TOWN OF MULBROW, OKLAHOMA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	Fire Department	Utility Sales Tax	Street Fund	Library	Parks & Recreation	Total
<b>Revenues</b>						
Sales Tax	\$ 48,000	-	218,066	-	133,080	399,146
Reimbursements State of Oklahoma	4,763		-			4,763
Burn Permits	1,790					1,790
Fire protection contracts	16,530					16,530
EODD Grant	98,256		-			98,256
Narcan Funds	6,000					6,000
Rentals	-				1,950	1,950
Interest	74	310	249	-	21	654
Other deposits	7,223		13,826		7,621	28,670
Donations	85		-		-	85
<b>Total revenues</b>	<u>182,721</u>	<u>310</u>	<u>232,141</u>	<u>-</u>	<u>142,672</u>	<u>557,844</u>
<b>Expenditures</b>						
Streets					-	78,548
Fire	166,400		78,548		44,125	166,400
Parks & Recreation					6,793	44,125
Interest					-	6,793
<b>Total expenditures</b>	<u>166,400</u>	<u>-</u>	<u>78,548</u>	<u>-</u>	<u>50,918</u>	<u>295,866</u>
<b>Excess of revenues over (under) expenditures</b>	16,321	310	153,593	-	91,754	261,978
<b>Other financing sources(uses)</b>						
Operating transfers in	-	938,649	-		47	938,696
Operating transfers(out)	(1,417)	(938,649)	(10)	-	-	(940,076)
<b>Excess revenues and other sources over/ (under) expenditures and other uses</b>	<u>14,904</u>	<u>310</u>	<u>153,583</u>	<u>-</u>	<u>91,801</u>	<u>260,598</u>
<b>Fund balances, beginning of year</b>	128,890	84,672	335,851	526	(243,023)	306,916
<b>Fund balances, end of year</b>	<u>\$ 143,794</u>	<u>84,982</u>	<u>489,434</u>	<u>526</u>	<u>(151,222)</u>	<u>567,514</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND - METER DEPOSITS  
JUNE 30, 2022

ASSETS

Cash and demand deposits	\$ 98,943
Investments	<u>50,203</u>
Total assets	<u><u>\$ 149,146</u></u>

LIABILITIES AND FIDUCIARY NET POSITION

Liabilities	
Meter deposit	\$ 114,863
Accounts payable	<u>61</u>
Total liabilities	<u>114,863</u>
Fiduciary Net Position	
Restricted	<u>34,303</u>
Total Fiduciary Net Position	<u>34,303</u>
Total Liabilities and Fiduciary Net Position	<u><u>\$ 149,166</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND - METER DEPOSITS  
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES

Interest income	\$ 228
Other income	464
	<hr/>
Total revenues	692
	<hr/>

EXPENDITURES

Meter supplies	<hr/> -
Total expenditures	<hr/> -
Excess of revenue over/(under) expenses	692
Other financing sources:	
Transfers	<hr/> -
Excess of revenue over expenditures and other financing sources	692
Fiduciary Net Position - beginning of year	<hr/> 33,611
Fiduciary Net Position - end of year	<hr/> <hr/> \$ 34,303

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF FIDUCIARY NET POSITION  
CEMETERY FUND  
JUNE 30, 2022

ASSETS

Cash and demand deposits	\$ 3,998
Investments	<u>131,223</u>
Total assets	<u><u>\$ 135,221</u></u>

LIABILITIES AND FIDUCIARY NET POSITION

Accounts payable	<u>\$ -</u>
Fiduciary Net Position	
Restricted	<u>135,221</u>
Total Fiduciary Net Position	<u>135,221</u>
Total Liabilities and Fiduciary Net Position	<u><u>\$ 135,221</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MULDROW, OKLAHOMA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CEMETERY FUND  
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES

Lot sales	\$ 1,000
Opening/closing graves	3,950
Other deposits	20
Interest income	<u>818</u>
Total revenues	<u>5,788</u>

EXPENDITURES

Cemetery expenses	<u>6,000</u>
Total expenditures	<u>6,000</u>
Excess of revenue over/(under) expenses	(212)
Other financing sources(uses)	
Operating transfers in(out)	<u>(20)</u>
Excess revenues and other sources over/ (under) expenditures and other uses	(232)
Fiduciary Net Position - beginning of year	<u>135,453</u>
Fiduciary Net Position - end of year	<u><u>\$ 135,221</u></u>

The notes to the financial statements are an integral part of this statement.

# SAMUEL S. ALEXANDER

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Certified Public Accountant

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## INDEPENDENT AUDITORS REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Town of Muldrow  
Muldrow, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Governmental activities, the business type activities, and the aggregate remaining fund information of the Town of Muldrow, Oklahoma as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the Town of Muldrow, Oklahoma's basic financial statements, and have issued my report thereon dated October 5, 2022.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Town of Mulrow, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Muldrow, Oklahoma's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Muldrow, Oklahoma's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Muldrow, Oklahoma's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



October 5, 2022  
Wagoner, Oklahoma